

Cause No. 017-352565-24

PETER BARTOK, derivatively and on behalf of	§	IN THE DISTRICT COURT OF
NEXT BRIDGE HYDROCARBONS, INC.,	§	
	§	
Plaintiff,	§	
	§	
v.	§	
	§	
GREG MCCABE, ROBERT L. COOK, CLIFTON	§	
DUBOSE, JR., JOSEPH DEWOODY, LUCAS	§	
T. HAWKINS, DELVINA OELKERS, MIA	§	
PITTS, GEORGE PALIKARAS, KEN RICE,	§	TARRANT COUNTY, TEXAS
KRISTIN WHITLEY, JOHN HARDING,	§	
ALLISON CHRISTILAW, KEN HANNAH,	§	
STEEN KARSBO, AND ERIC LESLIE	§	
	§	
Defendants,	§	
	§	
-and-	§	
	§	
NEXT BRIDGE HYDROCARBONS, INC., a	§	
Nevada Corporation,	§	
	§	
Nominal Defendant.	§	_____ JUDICIAL DISTRICT

VERIFIED STOCKHOLDER DERIVATIVE PETITION

Plaintiff Peter Bartok (“Plaintiff”), by his undersigned attorneys, derivatively and on behalf of Next Bridge Hydrocarbons, Inc. (“NBH” or the “Company”), files this Verified Stockholder Derivative Petition against Defendants Greg McCabe (“McCabe”), Robert L. Cook (“Cook”), Clifton DuBose, Jr. (“DuBose”), Joseph DeWoody (“DeWoody”), Lucas T. Hawkins (“Hawkins”), Delvina Oelkers (“Oelkers”), Mia Pitts (“Pitts”), George Palikaras (“Palikaras”), Ken Rice (“Rice”), Kristin Whitley (“Whitley”), John Harding (“Harding”), Allison Christilaw (“Christilaw”), Ken Hannah (“Hannah”), Steen Karsbo (“Karsbo”), and Eric Leslie (“Leslie”) (collectively, the “Individual Defendants,” and together with NBH, the “Defendants”) for the

Individual Defendants' breaches of fiduciary duties as current and/or former controlling shareholders, directors and/or officers of the Company, unjust enrichment, waste of corporate assets, abuse of control, and gross mismanagement. As for his petition against the Defendants, Plaintiff alleges the following based upon personal knowledge as to himself and his own acts, and information and belief as to all other matters, based upon, *inter alia*, the investigation conducted by and through Plaintiff's attorneys, which included, among other things, a review of the Defendants' public documents, conference calls and announcements made by Defendants, United States Securities and Exchange Commission ("SEC") filings, wire and press releases published by and regarding NBH and Meta Materials Inc. ("Meta Materials"), legal filings, news reports, securities analysts' reports and advisories about the Company and Meta Materials, and information readily obtainable on the Internet. Plaintiff believes that substantial evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

DISCOVERY PLAN

1. Plaintiff requests that this case be conducted under Level 3 as set forth in Texas Rules of Civil Procedure 190.4.

NATURE OF THE ACTION

2. This is a stockholder derivative petition that seeks to remedy wrongdoing committed by NBH's officers and directors in connection with the Company's spin-off from Meta Materials, Inc. ("Meta Materials") on or around December 14, 2022.

3. NBH was incorporated in Nevada on August 31, 2021 as OilCo Holdings, Inc. At that time, NBH was a wholly owned subsidiary of Meta Materials. On June 30, 2022, the Company changed its named from OilCo Holdings, Inc. to NBH.

4. Today, NBH is based in Fort Worth, Texas and is an independent public reporting energy company engaged in the acquisition, exploration, exploitation and/or development of oil

20. To this end, on July 14, 2022, NBH filed with the SEC a registration statement on Form S-1 seeking to spin-off NBH from Meta Materials. The initially filed registration statement underwent several amendments, including the inclusion of a prospectus filed on Form 424B4 on November 18, 2022 (the “Prospectus,” and together with the subsequently amended registration statement, the “Registration Statement”). Defendants Rice, Palikaras, and Cook signed the Registration Statement. The Registration Statement became effective on November 18, 2022.

21. Slightly less than one month later, on December 14, 2022, Meta Materials distributed 100% of the outstanding shares of capital stock of NBH—165,472,241 shares of NBH common stock—to Meta Materials Series A Preferred Stockholders, thereby separating NBH from Meta Materials and completing the spin-off (the “Spin-Off”). After that date, NBH was an independent public reporting company.

22. Before the Spin-Off, Defendant McCabe beneficially owned 19,605,348 shares of Meta Materials Series A Preferred Stock, as these shares were converted pursuant to the Arrangement Agreement when Torchlight merged with Metamaterials.² Through the Spin-Off, Defendant McCabe’s 19,605,348 shares of Meta Materials Series A Preferred Stock should have been converted into 19,605,348 shares of NBH common stock. Therefore, after the Spin-Off, Defendant McCabe would have beneficially owned 19,605,348 shares of NBH common stock, or 11.84% of all NBH’s outstanding common stock.

² Before Torchlight’s merger with Metamaterials, Defendant McCabe beneficially owned 19,605,348 shares of Torchlight common stock, or about 13.49% of all Torchlight’s outstanding common stock. Defendant McCabe served as the Chairman of the Board of Directors of Torchlight from October 2016 until the merger with Metamaterials.

23. However, immediately before the Spin-Off, Defendant McCabe unloaded *approximately 6.7 million shares*³ of his Meta Materials Series A Preferred Stock holdings for *personal profits between \$19.6 million and \$78.9 million*.⁴

24. After the Spin-Off, Defendant DuBose became NBH's CEO and Chairman of the Board of Directors (the "Board"), Defendant DeWoody became the President and a Company director, Defendant Hawkins became the Chief Financial Officer ("CFO"), Defendant Oelkers became the Chief Operating Officer ("COO"), and Defendants Cook, Pitts, and Whitley became Company directors.

25. Meta Materials, the former parent company of NBH, continuously monitored the value of the O&G Assets before the Spin-Off.

26. Yet, the Registration Statement contained astronomically high valuations of the worth of NBH's O&G Assets. In particular, the Registration Statement represented that NBH's O&G Assets were worth \$45.6 million as of December 31, 2021, \$46.7 million as of March 31, 2022, and \$47.3 million as of September 30, 2022.

27. Unbeknownst to investors, the public, and the future shareholders of NBH, the O&G Assets were effectively worthless. In subsequent financial filings, Meta Materials reported that the value of the O&G Assets as of the date of the Spin-Off was "not substantive" and therefore increased its reserves on notes payable by NBH to Meta Materials that had historically been secured by the O&G Assets.

³ All emphasis is added unless otherwise noted.

⁴ Meta Materials Series A Preferred Stock traded under the ticker "MMTLP" on the NASDAQ over-the-counter markets from October 2021 until the Spin-Off in December 2022. During the month before the Spin-Off, Meta Materials Series A Preferred Stock traded at prices between \$2.90 per share and \$11.65 per share, for an average price of \$8.15 per share.

185. As a result of the misconduct and breaches of duty alleged herein, Defendants are liable to the Company.

186. Plaintiff on behalf of NBH has no adequate remedy at law.

FIFTH CLAIM

Against Defendants for Waste of Corporate Assets

187. Plaintiff incorporates by reference and re-alleges each and every allegation set forth above, as though fully set forth herein.

188. As a result of the foregoing, and by failing to properly consider the interests of the Company and its stockholders, Defendants have caused NBH to waste valuable corporate assets, to incur many millions of dollars of legal liability and costs to defend unlawful actions, to engage in internal investigations, and to lose financing from investors and business from future customers who no longer trust the Company and its products.

189. As a result of the waste of corporate assets, the Defendants are each liable to the Company.

190. Plaintiff on behalf of NBH has no adequate remedy at law.

JURY DEMAND

191. Plaintiff respectfully demands the right to have a trial by jury and has tendered the appropriate jury fee to the District Clerk of Tarrant County, Texas.

PRAYER FOR RELIEF

FOR THESE REASONS, Plaintiff demands judgment in the Company's favor against all Individual Defendants as follows:

(a) Declaring that Plaintiff may maintain this action on behalf of NBH, and that Plaintiff is an adequate representative of the Company;

(b) Declaring that the Individual Defendants have breached and/or aided and

abetted the breach of their fiduciary duties to NBH;

(c) Determining and awarding to NBH the damages sustained by it as a result of the violations set forth above from each of the Individual Defendants, jointly and severally, together with pre-judgment and post-judgment interest thereon;

(d) Directing NBH and the Individual Defendants to take all necessary actions to reform and improve NBH's corporate governance and internal procedures to comply with applicable laws and to protect NBH and its shareholders from a repeat of the damaging events described herein, including, but not limited to, putting forward for shareholder vote the following resolutions for amendments to the Company's Bylaws or Certificate of Incorporation and the following actions as may be necessary to ensure proper corporate governance policies:

1. a proposal to strengthen the Board's supervision of operations and develop and implement procedures for greater shareholder input into the policies and guidelines of the Board;
2. a provision to permit the shareholders of NBH to nominate at least three candidates for election to the board; and
3. a proposal to ensure the establishment of effective oversight of compliance with applicable laws, rules, and regulations.

(e) Awarding NBH restitution from the Individual Defendants, and each of them;

(f) Awarding Plaintiff the costs and disbursements of this action, including reasonable attorneys' and experts' fees, costs, and expenses; and

(g) Granting such other and further relief as the Court may deem just and proper.

May 7, 2024

Respectfully submitted,

THE BROWN LAW FIRM, P.C.

/s/ Saadia Hashmi

Saadia Hashmi (State Bar No.: 24139546)

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Counsel for Plaintiff

VERIFICATION

I, Peter Bartok, am a plaintiff in the within action. I have reviewed the allegations made in this Shareholder Derivative Complaint, know the contents thereof, and authorize its filing. To those allegations of which I have personal knowledge, I believe those allegations to be true. As to those allegations of which I do not have personal knowledge, I rely upon my counsel and their investigation and believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 6th__ day of May, 2024.

A handwritten signature in black ink, appearing to read 'P. Bartok', is written above a horizontal line.

Peter Bartok